

SA FY 15 Budget DOI - 3.26.14

STATEMENT OF SALLY JEWELL, SECRETARY OF THE INTERIOR

BEFORE THE SUBCOMMITTEE ON INTERIOR, ENVIRONMENT

AND RELATED AGENCIES

SENATE COMMITTEE ON APPROPRIATIONS

ON THE 2015 PRESIDENT'S BUDGET REQUEST

March 26, 2014

Mr. Chairman and members of the Committee, I am pleased to present the 2015 President's Budget for the Department of the Interior.

This subcommittee remains an important partner in the accomplishment of Interior's mission and I appreciate our excellent working relationship, which allows us to resolve challenges and take advantage of opportunities. I appreciate the efforts of the Subcommittee in the development of 2014 appropriations that alleviated the need for indiscriminate sequester of discretionary funds and minimized legislative riders.

This budget is balanced and responsible and supports Interior's pivotal role as a driver of jobs and economic activity in communities across the country. It enables us to carry

out core mission responsibilities and commitments. This budget allows Interior to uphold trust responsibilities to American Indians and Alaska Natives, provides a new approach for responsibly budgeting for wildland fire suppression needs, invests in climate resilience, continues smart and balanced all of-the-above energy development on and offshore, and bolsters our national parks and public lands in advance of the National Park Service's 100th anniversary in 2016.

Interior's programs and activities serve as economic engines in communities across the Nation, contributing an estimated \$371 billion to the economy in 2012 and supporting an estimated 2.3 million American jobs. Of this total, energy and mineral development on Interior-managed lands and offshore areas generated more than \$255 billion of this economic activity and supported 1.3 million jobs. Recreation and tourism on Interior lands contributed \$45 billion to the economies of local communities and supported nearly 372,000 jobs. Water supply, forage and timber activities, primarily on public lands in the West, contributed more than \$50 billion and supported 365,000 jobs.

The President's 2015 budget for the Department of the Interior totals \$11.9 billion, an increase of 2.4 percent from 2014, which includes a cap exemption for fire emergencies. Without this exemption, Interior's budget totals \$11.7 billion, a 0.3 percent increase, or nearly level with this year's funding. This budget features three key legislative proposals: a new framework to fund wildland fire suppression requirements; additional investment in the infrastructure and visitor experience at our National Parks and public lands; and full and permanent funding for the Land and Wildlife Conservation Fund. Each of these proposals will significantly enhance our ability to conserve and manage the Nation's public lands.

The budget proposes to amend the Balanced Budget and Emergency Deficit Control Act of 1985, to provide stable funding for fire suppression, while minimizing the adverse impacts of fire transfers on other Interior programs, and allowing Interior to reduce fire risk, manage landscapes more comprehensively, and increase the resiliency of public lands and the communities that border them. In this proposed new framework, \$268.6

million, or 70 percent of the 10-year average for suppression response is funded within the discretionary spending limits and \$240.4 million is available as an adjustment above those limits, if needed based on a challenging fire season. In addition, it does not increase overall discretionary spending, as it would reduce the ceiling for the existing disaster relief cap adjustment by an equivalent amount as is provided for wildfire suppression operations.

In advance of the 100th anniversary of the National Park Service in 2016, the 2015 budget proposes a comprehensive Centennial Initiative investment in the parks and public lands. The funding would provide targeted increases for a multi-year effort to recommit to the preservation of these special places, to invest wisely in the park system's most important assets, to use parks to enhance informal learning, engage volunteers, provide training opportunities to youth, and enhance the National Park Service's ability to leverage partnerships to accomplish its mission.

Finally, the President's budget continues to support full, permanent funding for the Land and Water Conservation Fund, one of the Nation's most effective tools for expanding access for hunting and fishing, creating ballfields and other places for children to play and learn, protecting traditional uses such as working ranches and farms, acquiring inholdings to manage contiguous landscapes, and protecting Civil War battlefields. The 2015 budget proposes total funding of \$900.0 million for LWCF in Interior and the U.S. Forest Service. Within this total, \$350.0 million is requested as current funding and \$550.0 million as part of a permanent funding proposal. Starting in 2016, the proposal would provide \$900.0 million annually in permanent funding.

Complementing the 2015 budget request is \$346.0 million identified for Interior programs as part of the President's Opportunity, Growth, and Security Initiative to spur economic progress and promote opportunity. If approved, these investments will enable significant progress to address long-term needs in the areas of national parks and other public lands, research and development, infrastructure and permitting support, climate resiliency, and education and economic development in Indian Country.

The drought in California and other Western States underscores the importance of improving the resilience of communities to the effects of climate change. The President's Opportunity, Growth, and Security Initiative includes a \$1 billion government-wide Climate Resilience Fund to invest in developing more resilient communities, and finding solutions to climate challenges through

technology development and applied research. This Fund includes about \$240 million for Interior programs that invest in research and development, assist Tribes and local communities in planning and preparing for extreme weather conditions and events, and support public land managers in landscape and watershed planning to increase resiliency and reduce risks.

2015 Budget

The 2014 budget request includes \$10.6 billion in current funding for programs under the jurisdiction of the Interior, Environment and Related Agencies Subcommittee. This is a \$104.9 million, or a one percent increase, compared to 2014. Total funding for the Department includes \$1.0 billion requested for the Bureau of Reclamation and the Central Utah Completion Act, which are under the jurisdiction of the Energy and Water Development Subcommittee.

In addition to the proposals already discussed, the 2015 request sustains support for essential requirements and allows for targeted increases above the 2014 enacted level. Within the overall increase for 2015, \$54.4 million covers fixed cost increases for such things as Federal pay and rent. Reflecting the need to prioritize budget resources, this request includes \$413.3 million in proposed program reductions to offset other programmatic requirements.

Interior programs continue to generate more revenue for the American people than the Department's annual current appropriation. In 2015, Interior will generate estimated receipts of nearly \$14.9 billion, a portion of which is shared with State and local governments to meet a variety of needs, including school funding, infrastructure

improvements, and water-conservation projects. Also included with this request are revenue and savings legislative proposals estimated to generate more than \$2.6 billion over the next decade.

Putting this budget in context, Interior's complex mission affects the lives of all Americans. Nearly every American lives within an hour's drive of lands or waters managed by the Interior Department. In 2012, there were 417 million visits to Interior-managed lands. The Department oversees the responsible development of over 20 percent of U.S. energy supplies, is the largest supplier and manager of water in the 17 western States, maintains relationships with 566 federally recognized Tribes, and provides services to more than two million American Indian and Alaska Native peoples.

Celebrating and Enhancing America's Great Outdoors

Throughout American history, the great outdoors have shaped the Nation's character and strengthened its economy. The 2015 budget requests the resources and authorities to care for our public lands and prepare for the future. The budget invests in efforts to upgrade and restore national parks and other public-lands areas, while engaging thousands of Americans, including youth, and veterans. The budget strengthens the President's commitment to the America's Great Outdoors initiative with a request of \$5.1 billion in current funding for programs, including the operation of public land management units in BLM, NPS and FWS; the Land and Water Conservation Fund; and grants and technical assistance to States and others. This is an increase of \$127.1 million compared to the 2014 enacted level.

Coupled with these efforts is a historic commitment to America's natural and cultural heritage through Land and Water Conservation Fund programs. The budget includes a 2015 combined request of \$672.3 million (\$246.0 million discretionary and \$426.3 million mandatory) for Interior's LWCF programs that conserve lands and support outdoor recreation. In current funding, the request for land acquisition is \$147.9 million, with \$39.5 million identified for Collaborative Landscape Planning projects. A total of

\$98.1 million is requested in current funding for LWCF conservation grants, including \$48.1 million for LWCF Stateside grants.

I could not highlight our stewardship efforts without discussing the upcoming centennial of the National Park Service in 2016. Overall, the Centennial Initiative—including mandatory, discretionary, and Opportunity, Growth, and Security Initiative resources—will allow NPS to ensure that 1,700 (or 20 percent) of the highest priority park assets are restored to good condition. The effort creates thousands of jobs over three years, provides over 10,000 work and training opportunities to young people, and engages more than 265,000 volunteers in support of public lands.

The request for the Centennial Initiative proposes a \$40 million increase in current appropriations in 2015, plus an additional \$400 million in permanent funding each year for three years. That funding includes \$100 million for a Centennial Challenge to match private philanthropy, \$200 million for National Park Service facilities improvements, and \$100 million for a Centennial Land Management Investment Fund to competitively allocate funds to meet land conservation and deferred maintenance needs among Interior's land-management agencies and the U.S. Department of Agriculture's U.S. Forest Service. The President's Opportunity, Growth, and Security Initiative identifies investments of \$100 million for National Park Service deferred maintenance and an additional \$100 million for the Centennial Land Management Investment Fund.

Strengthening Tribal Nations

Sustaining the President's commitment to tribal sovereignty and self-determination and honoring Interior's trust responsibilities to the 566 federally recognized American Indian and Alaska Native Tribes and more than 2 million people served by these programs, the 2015 budget for Indian Affairs is \$2.6 billion, an increase of \$33.6 million above the 2014 enacted level. The budget invests in: advancing nation-to-nation relationships and tribal self-determination, supporting and protecting Indian families and communities, sustainable stewardship of energy and natural resources, and improving education in Indian Country.

Recognizing this commitment to tribal self-governance and self-determination, the budget fully funds contract support costs Tribes incur as managers of the programs serving Native Americans. The budget requests \$251 million, a \$4.0 million increase over the 2014 enacted level, to fully fund estimated contract support needs in 2015.

Supporting families and communities, the 2015 budget launches the Tiwahe Initiative, with an increase of \$11.6 million in social services and job training programs to address the interrelated problems of child and family welfare, poverty, violence and substance abuse in tribal communities. Tiwahe is the Lakota word for “family.” Through this initiative, social services and job training programs will be integrated and expanded to provide culturally appropriate programs to assist and empower families and individuals through economic opportunity, health promotion, family stability, and strengthened communities.

Promoting public safety and tribal community resilience, the 2015 budget request includes resources to build on BIA Law Enforcement's recent successes in reducing violent crime. A pilot program will be implemented to lower repeat incarceration rates in tribally operated jails on three reservations – Red Lake in Minnesota, Ute Mountain in Colorado, and Duck Valley in Nevada – with a goal to materially lower repeat incarcerations. Through an Alternatives to Incarceration Strategy, this pilot will seek to address underlying causes of repeat offenses, such as substance abuse and lack of adequate access to social service support, through intergovernmental and interagency partnerships.

The 2015 budget request is complemented by a proposal in the President's Opportunity, Growth, and Security Initiative to further invest in economic development and education to promote strong, resilient tribal economies and improve educational opportunities in Indian Country.

Powering Our Future

As part of the President's all-of-the-above energy strategy to expand safe and responsible domestic energy production, the 2015 budget provides \$753.2 million for conventional and renewable energy programs, an increase of \$40.7 million above the 2014 enacted level. The budget includes measures to encourage responsible, diligent development and a fair return for American

taxpayers.

Funding for conventional energy and compliance activities totals \$658.4 million, an increase of \$37.5 million over the 2014 level. Spending from fees and permanent funding related to onshore oil and gas activities increase \$49.1 million from the 2014 level, primarily reflecting a proposal to expand onshore oil and gas inspection activities and to offset the Bureau of Land Management's inspection program costs to the taxpayer with fees from industry, similar to what the offshore industry now pays.

The budget includes \$169.8 million for the Bureau of Ocean Energy Management and \$204.6 million for the Bureau of Safety and Environmental Enforcement to support domestic energy production, including new leasing, strong safety oversight of offshore operations, enhanced environmental enforcement functions, and expanded training and electronic inspection capabilities.

The 2015 budget includes \$94.8 million for renewable energy activities, a \$3.2 million increase over the 2014 level. This funding maintains the Department's emphasis on strategic investments to advance clean energy and meet the President's goal to approve 20,000 megawatts of renewable energy on public lands by 2020 (relative to 2009 levels).

Engaging the Next Generation

The 2015 budget supports a vision to inspire millions of young people to play, learn, serve and work outdoors by expanding volunteer and work opportunities for youth and

veterans. The budget proposes \$50.6 million for Interior youth programs, a \$13.6 million or 37 percent increase from 2014.

A key component of the Department's efforts will be partnering with youth organizations through the 21st Century Conservation Service Corps. The proposed funding includes an increase of \$8.0 million to expand opportunities for youth education and employment across the National Park Service; an additional \$2.5 million for the Fish and Wildlife Service's Urban Wildlife Refuges Partnership; and a total of \$4.2 million in Indian Affairs for youth programs including \$2.5 million to engage youth in natural sciences. Support for the National Park Service Centennial will create thousands of jobs, and engage more than 10,000 youth in service and training opportunities and more than 265,000 volunteers.

Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies

The 2015 budget addresses the Nation's water challenges through investments in water conservation, sustainability, and infrastructure critical to the arid Western United States and its fragile ecosystems.

The budget includes \$66.5 million for WaterSMART programs in Reclamation and the U.S. Geological Survey, nearly a 17 percent increase from 2014, to assist communities in stretching water supplies and improving water management. In addition to \$1 billion requested for the Bureau of Reclamation within the jurisdiction of the Energy and Water Subcommittee, the budget also requests \$210.4 million for the U.S. Geological Survey's water programs to provide scientific monitoring, research, and tools to support water management across the Nation. This funding supports the Department's goal to increase by 840,000 acre-feet, the available water supply for agricultural, municipal, industrial, and environmental uses in the Western United States through water-conservation programs by the end of 2015.

Interior extends this commitment to Indian Country, honoring Indian water settlements with investments totaling \$171.9 million in Reclamation and Indian Affairs, for technical

and legal support for water settlements. This includes \$147.6 million for implementation of authorized settlements to bring reliable and potable water to Indian communities, more than a 9 percent increase from 2014. Among the investments is \$81 million for the ongoing Navajo-Gallup Water Supply Project, which, when completed, will have the capacity to deliver clean running water to a potential future population of approximately 250,000 people.

Building a Landscape Level Understanding of Our Resources

The 2015 budget fosters the sustainable stewardship of the Nation's lands and resources on a landscape level. Funding includes increases for scientific monitoring, research and tools to advance our understanding and ability to manage natural resources more effectively, while balancing important conservation goals and development objectives. Reflecting the President's ongoing

commitment to scientific discovery and innovation to support decision making for critical societal needs and a robust economy, the budget proposes \$888.7 million for research and development activities across the Department, an increase of \$60.4 million over 2014. This funding will increase understanding of natural resources and the factors impacting water availability, ecosystem and species resiliency, sustainable energy and mineral development, climate resilience, and natural hazard mitigation, among others.

Complementing this budget request are two components of the President's Opportunity, Growth, and Security Initiative: an investment of \$140 million for Interior research and development as part of a government-wide effort to jumpstart growth spurred by scientific discovery; and investments to address climate resilience to better prepare communities and infrastructure, and enable them to build greater resilience in the face of a changing climate.

In ecosystems across the Nation, Interior will continue to work with local communities to leverage its efforts to improve resiliency and achieve improved environmental and economic outcomes.

Major Changes in the 2015 Request

Bureau of Land Management – The 2015 request is \$1.1 billion, a decrease of \$5.6 million from the 2014 enacted level. The 2015 request assumes the use of \$54.5 million in proposed offsetting fees, which when included provides an effective increase of \$48.9 million above 2014. The 2015 request includes \$954.1 million for the Management of Lands and Resources account, and \$25.0 million in current appropriations for Land Acquisition, including \$2.0 million to improve access to public lands for hunting, fishing, and other recreation. The budget proposes \$104.0 million for Oregon and California Grant Lands, which includes a \$4.2 million decrease in Western Oregon Resource Management Planning, reflecting expected completion of six revised plans in June 2015.

To advance America's Great Outdoors, the request includes \$3.5 million in program increases for recreation, cultural resources, and the National Landscape Conservation System to address the needs of recently designated units, implement travel management plans, improve visitor services, and address a backlog in cultural resources inventory and stabilization needs. The budget request also includes \$4.8 million for Youth programs, an increase of \$1.3 million from 2014, to put more young Americans to work protecting and restoring public lands and cultural and historical treasures.

The BLM continues to support the President's all-of-the-above energy strategy on the public lands including an initiative to encourage smart renewable energy development. The 2015 budget includes \$29.2 million, essentially level with 2014, for renewable energy to continue to aggressively support wind, solar, and geothermal energy development on BLM lands. Complementing this is a \$5.0 million increase in the Cadastral, Lands and Realty Management program for identification and designation of energy corridors in low conflict areas to site high voltage transmission lines, substations, and related infrastructure in an environmentally sensitive manner.

The 2015 request for Oil and Gas Management, including both direct and fee-funded appropriations, totals \$133.7 million, an increase of \$20.3 million in available program funding from 2014. In 2015, the budget proposes to shift the cost of oil and gas inspection and enforcement activity from current appropriations to inspection fees charged to industry. The proposed inspection

fees will generate and estimated \$48.0 million, providing for a \$10.0 million increase in BLM's inspection and enforcement capability and allowing for a net reduction of \$38.0 million in requested BLM appropriations. The request for Oil and Gas programs includes increases of \$5.2 million for ongoing rulemaking efforts and to strengthen operations at BLM units and \$4.6 million for oversight and permitting to better keep pace with industry demand and fully implement leasing reforms.

In 2015, BLM will release six rapid eco-regional assessments, in addition to four planned for 2014. The BLM will conduct training on the use of the data from these assessments and will work with a number of Landscape Conservation Cooperatives to begin development of regional conservation strategies. The budget includes an increase of \$5.0 million for Resource Management

Planning to implement BLM's enterprise geographic information system and address high priority planning. The 2015 budget maintains a \$15.0 million increase to implement sage grouse conservation and restoration measures to help avoid the need for a future listing of the species for protection under the Endangered Species Act.

Other program increases include \$2.8 million in the Wild Horse and Burro program to implement recommendations of the National Academy of Sciences regarding population control; and \$2.8 million in Abandoned Mine Lands to implement remediation plan efforts at Red Devil Mine in Alaska. The request includes \$19.0 million for the Alaska Conveyance program. Although a decrease of \$3.1 million from 2014, this funding coupled with efficiencies from an improved cadastral method, plots a course to complete all surveys and land transfers in ten years.

A proposed grazing administration fee will enhance BLM's capacity for processing grazing permits. A fee of \$1.00 per animal unit month, estimated to provide \$6.5 million in 2015, is proposed on a pilot basis. This additional revenue more than offsets a decrease of \$4.8 million in appropriated funds in Rangeland Management, equating to a \$1.7 million program increase to help address the grazing permit backlog.

Bureau of Ocean Energy Management – The 2015 operating request is \$169.8 million, including \$72.4 million in current appropriations and \$97.3 million in offsetting collections. This is a net increase of \$3.4 million in current appropriations above the 2014 enacted level.

The 2015 budget maintains a strong offshore renewable energy program at essentially the 2014 level of \$23.1 million for the total program. In 2013, BOEM held the first competitive Outer Continental Shelf (OCS) renewable energy lease sales, issued five other non-competitive commercial offshore wind energy leases, and approved the construction and operations plan for the Cape Wind project offshore Massachusetts.

Offshore conventional energy programs also remain essentially level with 2014, with a total of \$49.6 million in 2015. In 2013, BOEM held three sales generating over \$1.4 billion in high bids, and three additional lease sales are scheduled during calendar year 2014. The request of \$65.7 million for Environmental Programs includes an increase of \$2.5 million for work on a Programmatic Environmental Impact Statement for the next Five-Year Program (2017-2022) for oil and gas leasing on the OCS.

Bureau of Safety and Environmental Enforcement – The 2015 budget request is \$204.6 million, including \$81.0 million in current appropriations and \$123.6 million in offsetting collections, an increase of \$2.0 million from 2014. The request for offsetting collections assumes \$65.0 million from offshore oil and gas inspection fees. The 2015 request allows BSEE to continue to strengthen regulatory and oversight capability on the OCS and maintain capacity in regulatory, safety management, structural and technical support, and oil spill response prevention.

The budget includes \$189.7 million for Offshore Safety and Environmental Enforcement, an increase of \$2.4 million. The request includes a program increase of \$0.9 million to evaluate and test new technologies and update regulations to reflect improved safety and oversight protocols. Funding for Oil Spill Research is maintained at the 2014 level of \$14.9 million.

Office of Surface Mining – The 2015 budget request for the Office of Surface Mining is \$144.8 million, a decrease of \$5.3 million from the 2014 enacted level. This includes a decrease of \$13.4 million in grants to States and Tribes to encourage these regulatory programs to recover a larger portion of their costs from fees charged to the coal industry, and an increase of \$4.0 million to provide additional technical support to State and tribal regulatory programs. The budget also includes an increase of \$1.9 million for applied science to advance reclamation technologies. This request proposes \$116.1 million for Regulation and Technology funding, \$28.7 million for Abandoned Mine Reclamation Fund activities, and an additional \$1.9 million in offsetting collections from recovered costs for services.

U. S. Geological Survey – The USGS budget request is \$1.1 billion, \$41.3 million above the 2014 enacted level. The President's budget reflects the Administration's commitment to investing in research and development to support sound decision making and sustainable stewardship of natural resources. This includes science, monitoring, and assessment activities critical to understanding and managing the ecological, mineral, energy, and water resources which underlie the prosperity and well-being of the Nation. The budget includes increases for priorities in ecosystem restoration, climate adaptation, invasive species, environmental health, and earth observations. Funding provides increased support to enhance sustainable energy development, address water resource challenges, increase landscape level understanding of the Nation's natural resources, and the Scientists for Tomorrow youth initiative. To support sustainable management of water resources, the USGS budget includes increases totaling \$6.4 million for WaterSMART programs. This includes increases for State water grants, regional water availability models, and the integration

and dissemination of data through online science platforms. The budget includes increases of \$2.4 million to support implementation of the National Groundwater Monitoring Network and \$1.2 million for the National Streamflow Information Program for streamgages to strengthen the Federal backbone at high priority sites sensitive to drought, flooding, and potential climate change effects.

To better understand and adapt to the potential impacts of a changing climate, the USGS budget invests in research, monitoring, and tools to support improved resilience of natural systems. The National Climate Change and Wildlife Science Center and DOI Climate Science Centers are funded at \$35.3 million, an increase of \$11.6 million from 2014. This includes an increase of

\$3.0 million for grants focused on applied science and information needed by resource managers for decision making at regional levels. An increase of \$2.3 million will enhance the leveraging of these investments with other Federal climate science activities and make the scientific information and products developed through these programs available to the public in a centralized, web-accessed format. Program increases of \$2.5 million will support applied science and capacity-building for tribal climate adaptation needs in the CSC regions, and \$3.0 million will support additional research in drought impacts and adaptive management.

The USGS budget invests in providing critical data and tools to promote understanding and managing resources on a landscape-scale. Program increases in the National Geospatial Program include \$5.0 million for the 3-Dimensional Elevation Program to collect Lidar data to enhance science and emergency response activities, resource and vulnerability assessments, ecosystem based management, and tools to inform policy and management. An increase of \$1.9 million is requested for modernization of The National Map, which provides critical data about the Earth, its complex processes, and natural resources. The 2015 budget includes a \$2.0 million increase for the Big Earth Data initiative to improve access to and use of data from satellite, airborne, terrestrial, and ocean-based Earth observing systems. These investments will provide benefits in

natural resource management and hazard mitigation, by improving access to critical information.

To support the sustainable development of energy resources, the USGS budget includes \$40.7 million for conventional and renewable energy programs, \$8.1 million above the 2014 enacted level. A program increase of \$1.3 million will be used to study geothermal resources and build on ongoing work on wind energy impacts. The request includes \$18.6 million, \$8.3 million over

2014, to support research and development to better understand potential impacts of energy development involving hydraulic fracturing. Conducted through an interagency collaboration with the Department of Energy and Environmental Protection Agency, this work addresses issues such as water quality and quantity, ecosystem, community, and human health impacts, and induced

seismicity. Funding for other conventional energy programs, including oil, gas, and coal assessments, totals \$15.6 million.

Supporting the sustainable management and restoration of ecosystems, the 2015 budget includes \$162.0 million for ecosystems science activities, \$9.2 million above the 2014 enacted level. Program increases include \$2.0 million for research on new methods to eradicate, control, and manage Asian carp in the Upper Mississippi River Basin and prevent entry into the Great Lakes. Increases of \$2.5 million are provided for ecosystem restoration work in the Chesapeake Bay, California Bay-Delta, Columbia River, Everglades, and Puget Sound. Another \$2.0 million will support the science and integration of ecosystems services frameworks into decision making and efforts to assess and sustain the Nation's environmental capital. Program increases totaling \$1.8 million will address native pollinators, brown treesnakes, and new and emerging invasive species of national concern.

Supporting understanding, preparedness, and mitigation of the impacts of natural hazards, the budget provides \$128.3 million for Natural Hazards activities, which is essentially level with 2014. This activity provides scientific information and tools to reduce potential fatalities, injuries, and economic loss from volcanoes, earthquakes, tsunamis and landslides, among others. The 2015 budget includes an increase of \$700,000 in Earthquake Hazards for induced seismicity studies related to hydraulic fracturing.

Fish and Wildlife Service – The 2015 Fish and Wildlife Service budget includes \$1.5 billion in current appropriations, an increase of \$48.8 million above the 2014 level. This includes America's Great Outdoors related increases of \$71.7 million in the Resource Management account. Among the increases proposed are: \$6.6 million to address increased workload in planning and consultation for energy transmission and other projects, \$7.7 million for cooperative efforts to recover imperiled species, \$4.0 million to support conservation of the greater sage grouse across 11 western states, \$2.0 million to investigate crimes and enforce laws that govern the Nation's wildlife trade, and \$2.5 million to establish an Urban Wildlife Refuge Partnership program. This effort will encourage city dwellers to enjoy the outdoors by creating stepping stones of engagement to connect them to the outdoors on refuges and partner lands, through experiences which build on one another.

Funding for FWS grant programs, with the exception of State and Tribal Wildlife Grants, remain level with 2014. In 2015, funding for State and Tribal Wildlife Grants totals \$50 million. The request also includes \$55.0 million for Land Acquisition and \$15.7 million for Construction. In addition to direct appropriations, an estimated \$1.3 billion will be available under permanent appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation.

The budget proposes \$16.7 million, an increase of \$2.5 million, for activities associated with energy development. Of this increase, \$1.4 million supports scientific research into the impacts of energy transmission and development infrastructure on wildlife and

habitat. The research will identify potential impacts associated with the development of energy infrastructure and strategies to minimize the impacts on habitat and species. An increase of \$1.1 million for the Ecological Services Planning and Consultation program supports assessments of renewable energy projects proposed for development.

The budget request for the Resource Management account continues support for key programs with program increases of \$65.8 million above 2014. The request provides \$252.2 million in Ecological Services to conserve, protect, and enhance listed and at-risk species and their habitat, an increase of \$30.3 million. Within this request are increases of \$4.0 million to support conservation of the greater sage grouse across 11 western States and \$10.5 million to implement other species recovery actions.

The request includes funding within Law Enforcement and International Affairs to combat wildlife trafficking. The budget provides \$66.7 million for the law enforcement program to investigate wildlife crimes, enforce the laws governing the Nation's wildlife trade, and expand technical forensic expertise, with program increases of \$2.0 million over 2014.

The budget includes \$138.9 million for Fisheries and Aquatic Resource Conservation, a program increase of \$8.2 million. Within this request is \$48.6 million for operation of the National Fish Hatchery system to address top priorities, an increase of \$1.9 million for fish hatchery maintenance, and \$4.4 million to prevent the spread of Asian carp in the Missouri, Ohio, upper Mississippi Rivers, and other high priority watersheds.

Funding for Cooperative Landscape Conservation activity is \$17.7 million, an increase of \$3.2 million, and funding for Science Support is \$31.6 million, an increase of \$14.4 million. The budget supports applied science directed at high impact questions to mitigate threats to fish and wildlife resources, including \$2.5 million to address white nose syndrome in bats, and an increase

of \$1.0 million to study biological carbon sequestration.

The 2015 budget proposes to eliminate the current funding contribution to the National Wildlife Refuge fund, a reduction of \$13.2 million below 2014. An estimated \$8.0 million in permanent receipts collected and allocated under the program would remain available to counties. The budget also proposes cancellation of \$1.4 million in prior year balances from the Landowner Incentive and Private Stewardship Grant programs, which have not received new budget authority in several years.

National Park Service – The 2015 budget request for NPS of \$2.6 billion is \$55.1 million above

the 2014 enacted level.

In 2015, a total of \$2.5 billion is requested for NPS as part of America's Great Outdoors. This includes \$2.3 billion for park operations, an increase of \$47.1 million over 2014. Within this increase is \$30.0 million to support the NPS Centennial Initiative. The Centennial increase includes \$16.0 million for repair and rehabilitation projects to improve high priority projects throughout the parks, \$8.0 million in competitively managed funds to support enhanced visitor services in the areas of interpretation and education, law enforcement and protection, and facility operations, \$4.0 million for 21 CSC youth work opportunities to engage youth in service and conservation projects, and \$2.0 million to support expanded volunteer opportunities at the parks. Across these Centennial increases, the budget provides an \$8.0 million increase for youth engagement and employment opportunities, and continues the NPS' efforts to attract qualified veteran candidates to fill Federal positions. The request for Park Operations also includes increases of \$15.7 million for increased fixed costs and \$2.0 million to support new park units.

Also in preparation for the Centennial anniversary of the parks, the 2015 request includes \$10.0 million in a separate account for Centennial Challenge projects. This funding will provide a Federal match to leverage partner donations for signature projects and programs at the parks. This program will be instrumental in garnering partner

support to prepare park sites across the

country for the centennial and through the second century of the NPS.

The 2015 request for the Historic Preservation Fund is \$56.4 million, level with 2014. Of this total, \$46.9 million is requested for grants-in-aid to States and Territories, \$9.0 million for grants-in-aid to Tribes, and \$500,000 to be awarded competitively to address communities currently underrepresented on the National Register of Historic Places.

The budget includes \$52.0 million within the National Recreation and Preservation account, which includes \$10.0 million for the Rivers, Trails, and Conservation Assistance program, essentially level with 2014, and \$1.2 million for American Battlefield Protection Program assistance grants, also level with 2014. The request includes a program reduction of \$9.1 million from Heritage Partnership programs to encourage self-sufficiency for these non-Federal organizations.

Programs funded out of the Land and Water Conservation Fund are a key component of America's Great Outdoors. The budget requests \$104.0 million for the Land Acquisition and State Assistance account, an increase of \$5.9 million. This includes \$48.1 million for the State Conservation Grants program, level with 2014, and \$55.9 million for NPS Federal land acquisition, a programmatic increase of \$5.8 million. Of this amount, \$13.2 million supports Collaborative Landscape projects in the California Southwest Desert and areas within the National Trails System.

Funding for Construction totals \$138.3 million, essentially level with 2014. Of this amount, the budget includes \$61.7 million for line-item construction projects, a \$1.1 million program increase compared to 2014. The request includes \$6.7 million to reconstruct the historic cave tour trails in Mammoth Cave National Park and \$3.9 million to stabilize and repair exterior walls of

the historic Alcatraz prison cell house at Golden Gate National Recreation Area.

Indian Affairs – The 2015 budget includes \$2.6 billion for Indian Affairs programs, an increase of \$33.6 million from the 2014 enacted level. This includes an increase of \$33.8 million for Operation of Indian Programs; and level funding of \$35.7 million for Indian Land and Water Claim Settlements, \$109.9 for Construction, and \$6.7 million for the Indian Guaranteed Loan program.

Within the Operation of Indian Programs, the budget includes full funding of \$251.0 million for Contract Support Costs and the Indian Self-Determination Fund, an increase of \$4.0 million from 2014. Consistent with the 2014 Operating Plan, the 2015 request provides full funding based on the most current estimated need. The availability of contract support cost funding is a key factor in tribal decisions to assume responsibility for operating Federal programs important to the furtherance of self-governance and self-determination. To further facilitate Tribal 638 Contracting, the budget includes an additional \$1.2 million to increase services from the Department's Office of Indirect Cost Negotiations which negotiates indirect cost rates with non-Federal entities, including tribal governments. Consistent with Subcommittee direction and in collaboration with the Indian Health Service (IHS), the Department held its first formal consultation on March 11, 2014 with tribes to discuss long-term solutions to Contract Support Cost issues. The Department remains committed to working with IHS, tribes, and Congress to develop a long-term strategy for addressing this important issue.

The 2015 budget for Indian Affairs includes an increase of \$11.6 million for the Tiwahe or “family” Initiative. The initiative takes a comprehensive and integrated approach to address the interrelated problems of poverty, violence, and substance abuse in Indian communities. The initiative builds on and expands social service, Indian child and family welfare, and job training programs. In recognition that adequate housing is essential to building stronger families, the budget maintains the 2014 level for the Housing Improvement Program. The goal of the Tiwahe Initiative is to empower American Indian individuals and families in health promotion and family stability, and to strengthen tribal communities as a whole. To better target funding and evaluate outcomes in meeting

social service needs in Indian Country, the budget includes \$1.0 million as part of the initiative.

The budget provides strong support for the sustainable stewardship of land and resources in Indian Country, sustaining funding for trust land management and real estate services at 2014 levels and proposing program increases of \$3.6 million for the stewardship of natural resources. Funding supports the development of natural resource science, information, and tools for application in the development and management of energy and minerals, water, forestry, oceans, climate resilience, and endangered and invasive species. Demonstrating the Administration's commitment to resolving tribal water rights and ensuring that tribes have access to meet their water needs, \$171.9 million is provided across the Department for implementation of, and technical and legal support for, Indian water rights settlements, an increase of \$13.8 million over 2014. A program increase of \$1.0 million is also provided in Indian Affairs for deferred maintenance on Indian irrigation projects to help address drought issues in Indian Country.

The budget supports improving educational outcomes in Indian Country, providing \$794.4 million for the Bureau of Indian Education, an increase of \$5.6 million from 2014. The request includes an increase of \$500,000 for Johnson O'Malley Education Assistance Grants to support a new student count in 2015 and funding to address the projected increase in the number of eligible students. The budget includes \$1.0 million to support ongoing evaluation of the BIE school system to improve educational outcomes. Within education construction, an increase of \$2.3 million supports site development at the Beatrice Rafferty School for which design funding was provided in 2014. The budget also includes \$2.3 million in increases for BIE funded postsecondary programs including \$1.7 million for post-graduate opportunities in science fields, and \$250,000 for summer pre-law preparatory scholarships.

Departmental Offices and Department-wide Programs – The 2015 request for the Office of the Secretary is \$265.3 million, an increase of \$1.3 million from the 2014 enacted

level. Of this, \$122.9 million is for the Office of Natural Resources Revenue programs, an increase of \$3.5 million, reflecting increases to strengthen production verification and meter inspections activities,

including implementing an onshore production verification pilot and funding related data integration. Other changes include the proposed transfer of the Indian Arts and Crafts Board from the Office of the Secretary to the Bureau of Indian Affairs of \$1.3 million, a decrease of \$865,000 reflecting a shift from direct appropriations to fee for service for Indirect Cost Negotiations,

and a program decrease of \$266,000 in Valuation Services.

The budget request for the Office of Insular Affairs is \$92.2 million, a decrease of \$10.2 million from the 2014 enacted level. The budget includes an increase of \$3.0 million to address urgent, immediate needs in the insular areas, and \$1.8 million to improve safety conditions in insular school facilities. A decrease of \$500,000 reflects completion of an aerial bait system for brown

tree snake control. Compact Impact is funded at \$1.3 million, a decrease of \$1.7 million from 2014, and is supplemented by \$30.0 million annually in permanent Compact Impact funding. Funding of \$13.1 million for the Palau Compact Extension is not requested for 2015 as it is expected the Compact will be authorized and funded from permanent appropriations in 2014.

The Office of Inspector General request is \$50.0 million, a decrease of \$784,000 from 2014. The budget includes a decrease of \$2.0 million reflecting completion of an effort to reduce OIG's physical footprint. Increases of \$423,000 and \$355,000 are included to support the council of the Inspectors General on Integrity and Efficiency and provide additional FTE for information security audits, respectively. The Office of the Solicitor request is \$65.8 million, equal to the 2014 enacted level.

The Office of the Special Trustee request is \$139.0 million, \$648,000 below the 2014 enacted level. The 2015 budget decreases Business Management funding by \$1.6 million reflecting \$922,000 in efficiencies from the transfer of some mailing and printing services to the U.S. Department of the Treasury, a reduction of \$500,000 in litigation support, and a decrease of

\$200,000 in funding for the Office of Hearings and Appeals.

The 2015 request for the Department-wide Wildland Fire Management program is \$794.0 million without the proposed fire cap adjustment, and \$1.0 billion including the adjustment. The request includes \$268.6 million for Suppression within the current budget cap, which is 70 percent of the 10 year suppression average spending. This base level funding ensures the cap adjustment of \$240.4 million would only be used for the most severe fires, since it is one percent of the fires that cause 30 percent of the costs. The new budget framework for Wildland Fire Management eliminates the need for additional funds through the FLAME Act. The 2015 budget includes a program increase of \$34.1 million for Preparedness activities to enhance readiness capabilities. The budget includes \$146.3 million for Fuels Management activities, formerly known as Hazardous Fuels Management. This is equal to the 2014 enacted level with an increase of \$1.3 million for fixed costs. Complementing this request is \$30.0 million for Resilient Landscapes, a new component of the Wildland Fire Management program, to support treatments that improve the integrity and resilience of forests and rangelands. Resilient landscape projects will be leveraged with bureau efforts to reduce fire risk and improve overall resiliency. The budget request also includes a \$2.0 million increase for the Burned Area Rehabilitation program to address greater post-fire rehabilitation needs caused by the 2012 and 2013 fire seasons.

The 2015 request for the Natural Resource Damage Assessment and Restoration Fund is \$7.8 million, a program increase of \$1.5 million. The increase includes \$1.0 million for a Department-wide onshore Oil Spill Preparedness Program, and additional resources for Restoration support. The budget includes \$10.0 million for the Central Hazardous

Materials Fund, an increase

of \$412,000 from 2014 to support additional cleanup work.

The Department's 2015 request for the Working Capital Fund appropriation is \$64.3 million, an increase of \$7.3 million from the 2014 enacted level. Within this request is \$53.9 million for the operation and maintenance of the Financial and Business Management System, an increase of \$1.0 million to continue support of the Department's Cultural and Scientific Collections Management initiative, a decrease of \$1.0 million from the Department's Service First initiative, and an increase of \$8.4 million to support Interior's Office Consolidation strategy in the D.C metropolitan area.

Mandatory Proposals

The 2015 budget includes 15 legislative proposals affecting spending, revenue and available budget authority, which require action by the Congressional Authorizing Committees. Revenue and savings proposals will generate more than \$2.6 billion over the next decade. The 2015 budget includes four spending proposals with an estimated \$9.9 billion in outlays over the next

decade.

Land and Water Conservation Fund – The 2015 budget proposes \$900.0 million in current and permanent funding in 2015, and proposes permanent authorization of \$900.0 million in mandatory funding for LWCF programs in the Departments of the Interior and Agriculture beginning in 2016. During a transition to permanent funding in 2015, the budget proposes \$900.0 million in total LWCF programs funding, comprised of \$550.0 million permanent and \$350.0 million current funding, shared by Interior and Agriculture.

Centennial Initiative – The Centennial Initiative includes a legislative proposal to authorize \$1.2 billion in permanent funding over three years beginning in 2015 in the

following areas: \$300.0 million (\$100.0 million a year for 3 years) for a National Park Service Centennial Challenge fund to leverage private donations; \$600.0 million (\$200.0 million a year for 3 years) for NPS deferred maintenance; and \$300.0 million (\$100.0 million a year for 3 years) for a multiagency Centennial Land Management Investment Fund to competitively award grants to Interior land management agencies and the U.S. Forest Service for deferred maintenance and conservation projects.

Payments in Lieu of Taxes – The Agricultural Act of 2014 included a one-year extension of permanent PILT funding through 2014. The 2015 budget proposes to extend authorization of the program an additional year through 2015, while a sustainable long-term funding solution is developed for the PILT Program. The PILT payments help local governments carry out vital services,

such as firefighting and police protection, construction of public schools and roads, and search and rescue operations. The cost of a one-year extension is estimated to be \$442.0 million in 2015. The 2015 budget for the USDA Forest Service includes a proposal to reauthorize the Secure Rural Schools Program for a five year period, covering lands managed by the BLM.

Palau Compact – On September 3, 2010, the U.S. and the Republic of Palau successfully concluded the review of the Compact of Free Association and signed a 15-year agreement that includes a package of assistance through 2024. The 2015 budget assumes authorization of permanent funding for the Compact occurs in 2014. The cost for this proposal is estimated at \$178.3

million for 2015 through 2024.

Federal Oil and Gas Reforms – The budget includes a package of legislative reforms to bolster and backstop administrative actions being taken to reform the management of Interior's onshore and offshore oil and gas programs, with a key focus on improving the return to taxpayers from the sale of these Federal resources. Proposed statutory and

administrative changes fall into three general categories: 1) advancing royalty reforms, 2) encouraging diligent development of oil and gas leases, and 3) improving revenue collection processes. Collectively, these reforms will generate roughly \$2.5 billion in net revenue to the Treasury over ten years, of which about \$1.7 billion would result from statutory changes. Many States will also benefit from higher Federal revenue sharing payments.

Return Coal Abandoned Mine Land Reclamation Fees to Historic Levels – The budget proposes legislation to modify the 2006 amendments to the Surface Mining Control and Reclamation Act, which lowered the per-ton coal fee companies pay into the AML Fund. The proposal would return the fee to 35 cents a ton, the same level companies paid prior to the 2006 fee reduction.

The additional revenue, estimated at \$362 million over ten years, will be used to reclaim high priority abandoned coal mines and reduce a portion of the estimated \$3.9 billion needed to address remaining dangerous coal AML sites nationwide.

Discontinue AML Payments to Certified States – The budget proposes to discontinue unrestricted payments to States and Tribes certified for completing their coal reclamation work. This proposal terminates all such payments, with estimated savings of approximately \$295 million over the next ten years.

Reclamation of Abandoned Hardrock Mines – To address the legacy of abandoned hardrock mines across the U.S. and hold the hardrock mining industry accountable for past mining practices, the Department will propose legislation to create a parallel Abandoned Mine Lands Program for abandoned hardrock sites. A new AML fee on hardrock production on both public and private lands would generate an estimated \$1.8 billion to reclaim the highest priority hardrock

abandoned sites on Federal, State, tribal, and private lands.

Reform Hardrock Mining on Federal Lands – Interior will submit a legislative proposal to provide a fair return to the taxpayer from hardrock production on Federal lands. The legislative proposal will institute a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals including gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872. The proposal is projected to generate net revenues to the U.S. Treasury of \$80 million over ten years, with larger revenues estimated in following years.

Geothermal Energy Receipts – The Department proposes to repeal Section 224(b) of the Energy Policy Act of 2005. The repeal of Section 224(b) will permanently discontinue payments to counties and restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the Treasury. This results in estimated savings

of \$4 million in 2015 and \$42 million over ten years.

Federal Land Transaction Facilitation Act – The Department proposes to reauthorize this Act to allow Federal lands identified as suitable for disposal in recent land use plans to be sold using this authority. The sales revenues would continue to fund the acquisition of environmentally sensitive lands and administrative costs associated with conducting the sales.

Federal Migratory Bird Hunting and Conservation Stamps – Federal Migratory Bird Hunting and Conservation Stamps, or Duck Stamps, are the annual Federal license required for hunting migratory waterfowl. The receipts generated from the sale of these \$15.00 stamps are used to acquire important migratory bird areas for migration, breeding, and wintering. The Department

proposes legislation to increase these fees which have not increased since 1991, to \$25.00 per stamp per year beginning in 2015. This increase will add an estimated \$14 million for migratory bird conservation annually.

Bureau of Land Management Foundation – The budget proposes legislation to establish a congressionally-chartered National BLM Foundation. This Foundation will provide an opportunity to leverage private funding to support public lands, achieve shared outcomes, and focus public support on the BLM mission.

Recreation Fee Program – The Department of the Interior proposes to permanently authorize the Federal Lands Recreation Enhancement Act, which will expire in December 2015. The Department currently collects over \$200 million in recreation fees annually under this authority and uses them to enhance the visitor experience at Interior facilities.

Fire Suppression and the Discretionary Budget Cap

The 2015 budget proposes to amend the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to establish a new framework for funding Fire Suppression Operations to provide stable funding for fire suppression while minimizing the adverse impacts of fire transfers on the budgets of other programs, as well as reduce fire risk, manage landscapes more comprehensively, and increase the resiliency of public lands and the communities that border them. Under

this new framework, the 2015 budget request covers 70 percent of the 10-year suppression average within the domestic discretionary caps and a portion is funded in a budget cap adjustment. Extreme fires requiring emergency response, fires threatening urban areas, or requirements of an abnormally high fire season, would be permitted to be funded through the adjustment to discretionary spending limits. The cap adjustment does not increase overall current spending, as it reduces

the ceiling for the existing disaster relief cap adjustment.

Offsetting Collections and Fees

The budget includes the following proposals to collect or increase various fees, so industry shares some of the cost of Federal permitting and regulatory oversight.

New Fee for Onshore Oil and Gas Inspections – Through appropriations language, the Department proposes to implement an inspection fee in 2015 for onshore oil and gas activities subject to inspection by BLM. The proposed fee is expected to generate \$48.0 million in 2015, \$10.0 million more than the corresponding \$38.0 million reduction in requested appropriations, thereby expanding the capacity of BLM's oil and gas inspection program. The fee is similar to one already in place for offshore operations and will support Federal efforts to increase production accountability, human safety, and environmental protection.

Grazing Administrative Fee – The 2015 budget proposes a new grazing administrative fee of \$1 per animal unit month. The BLM proposes to implement this fee through appropriations language on a three-year pilot basis. The provision will generate an estimated \$6.5 million in 2015 to assist BLM in processing grazing permits.

National Wildlife Refuge Damage Cost Recovery – The budget proposes appropriations language to authorize the Fish and Wildlife Service to pursue and retain recoveries from responsible parties, to be used to restore or replace damaged National Wildlife Refuge resources.

Cost Recovery for Nontoxic Shot Approvals – The budget proposes appropriations language to allow the Fish and Wildlife Service to retain and use fees collected for the review of nontoxic shot products. Nontoxic shot is a substitute for lead shot, banned for waterfowl hunting since 1991.

Conclusion

Thank you for the opportunity to testify on the President's 2015 budget request for the Department of the Interior. This budget is responsible, and proposes to maintain core capabilities with targeted investments to advance the stewardship of lands and

resources, renewable energy, oil and gas development and reforms, water conservation, youth employment and engagement, and improvements in the quality of life in Indian communities. I thank you again for your continued support of the Department's mission. I look forward to answering questions about this budget. This concludes my written statement.